

HB 2642 -- CONSUMER CREDIT LOANS

SPONSOR: Crossley

This bill makes changes to the law concerning consumer credit loans. The bill specifies sections of the chapter governing interest that persons offering consumer credit loans must comply with, including the current law that requires simple interest and fees, which must also be in compliance with the specified sections of Chapter 408, RSMo. This bill establishes an annual percentage rate of 36% for combined interest, fees, and finance charges and prohibits intentional evasion of the chapter by offering a loan at a prohibited rate of interest, making a loan disguised as a personal property sale and leaseback, disguising loan proceeds as cash rebates for an installment sale, making an offer of credit that involves a third party, or charging an application fee for providing credit without including the fee in the calculation of the annual percentage rate. The bill also defines "consumer installment lender" and specifies portions of Chapter 408 with which the interest and fees of such arrangements must comply.

The bill is subject to voter approval at election in November 2024.